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TACNA WATER MANAGEMENT COMPANY

2993 S ARIZONA AVENUE, YUMA, AZ 85365

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May 20, 2009

DOCKET CONTROL

Arizona Corporation Commission

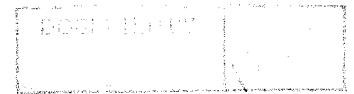
DOCKETED

Docket Control

Arizona Corporation Commission

1200 West Washington Street

Phoenix, Arizona 85007



Re: Start service of Customers south of I-8 in our new CC&N area
DOCKET NO. W-01344A-04-0815 and DECISION NO. 69208

As we understood DECISION NO. 69208 when Tacna Water had completed all the criteria set forth by Arizona Corporation Commission and ADEQ Tacna Water would then connect to and take over existing customer south of I-8. There are no money amounts (excluding \$500) in the agreement, because we didn't agree to pay for existing water lines in fact in the attorney's meeting we were adamant we would not buy lines when we have no idea of water line sizes or standards. At no time was it ever discussed nor did we intend to design and engineer a new water main for twelve to eighteen customers spread out over three miles. The intent was to use existing lines and trade out meters then return Mohawks meters to them. In concession for existing infrastructure (which will need to change as community and revenue change in the future) we would remove areas from our CC&N filing allowing Mohawk a potential of 300 new hook ups in good faith Tacna Water would not file for these area's in the future in exchange for infrastructure and 12 hookups Mohawk is servicing out side their CC&N and out side their water sources service area (Wellton Mohawk Irrigation and Drainage District). John Weil our Attorney, Don Kelland, and Chris Rockwell made a second agreement for an additional \$500 to include any and all pipe under I-8 and Railroad Track's to insure use of 6" sleeves (not 2" pipe) installed in 1960 that Mohawk is using as sleeve for two inch pipe they installed under freeway, and tied on to existing infrastructure south of I-8 installed in the 1960 (can provide witnesses).

As for negotiating or cooperation with Mohawk Our Attorney sent a request of plans, as built, and/or drawing of existing piping to Mohawk

to no avail absolutely no cooperation to prepare for transition We have done exploratory work for pipe sizes, valve, and location. We installed the well tested the water turned in engineered drawings to get Approval to construct. Then made connections pressure tests, chlorination test for Approval of construction through ADEQ. We have made several attempts to contact Chris Rockwell with Mohawk Utility Company to coordinate our transition. When we finally contacted Chris Rockwell. He told us all old agreements are null and void and he would send the Arizona Corporation Commission list of how much he wanted for his pipes and meters, and Nothing was going to happen until he was paid in full (nothings ever been sent by Mohawk to alleviate the problem to my knowledge). His attempt to renegotiate terms of original agreement has delayed the provisions of service to existing Mohawk Utility customers and expansion of CC&N south of I-8 and other customers wanting to connect. It has been more then six month since we had that conversation with Mohawk utility and as usual Mohawk has not produced any such requests for money and/or done anything. He has no reason to, or intention to cooperate. Mohawk is still collecting money illegally out side their CC&N and out side their water source's district (Wellton Mohawk Irrigation and Drainage District).

When Tacna Water completed all compliance items (before last conversation with Mohawk) I contacted Marlin Scott to ask for help to contact someone with Arizona Corporation Commission who could help us proceed with transition taking over Mohawks existing customers because it was obvious Mohawk would not cooperate or even return our calls. We needed the decision enforced Marlin Scott gave me an office to contact and I had a few conversation with Trish Meeter she contacted Mohawk and Mohawk would send me or the Arizona Corporation Commission bill for how much want to release area south of I-8 Mohawk did not contact Tacna Water which lead to a letter To Trish Meeter on 01/09/09 requesting help to enforce court decision. We have received a several phone calls from Trish Meeter and she had contacted Mohawk. She could not resolve, so she said she would send it to legal. About six weeks later Trish Meeter told us legal decided we need to make come to an agreement with Mohawk.

We did make an agreement with Mohawk and the court made a DECISION NO. 69208 based on that agreement. We've done the work almost three years and spent a large sum of money. It was disturbing when Trish Meeter told us legal decided we need to make an agreement with Mohawk she was in essence asking us to give Mohawk a blank check to charge us what ever they want, To date no one has been able to

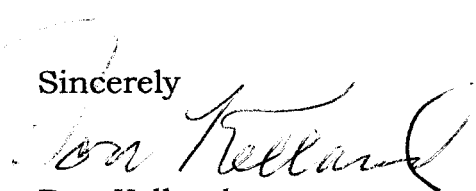
get Mohawk to produce any document stating their conditions, and time is of the essence. I don't believe that is the Arizona Corporation Commission intent, so I'm sending this letter requesting help in this matter.

We believe Tacna Water Management Company has meet all provisions, and has been ready to provide water service to our Expansion Area we should be allowed to take over existing customers immediately time is of the essence. This would require one hook up and one disconnect already in place. We believe Arizona Corporation Commission should allow us to take over existing lines. We can produce witnesses that these lines were put in in the 1960,s and that Mohawk in more recent years ran a two inch line illegally out side their CC&N in existing sleeves and hooked up to existing infrastructure south of I-8 installed in the 1960 and installed tie ends to new customers. If Mohawk Utility does not want to abandon lines, and Arizona Corporation Commission allows Mohawk to dig up existing lines at our last resort would allow Mohawk to uncover a section of existing pipe we would install new pipe and they could remove existing pipe highly unlikely since new two inch is .60 cents a foot and excavating for old pipe around \$2.00. We could also provide and share the cost of portable potable tank allow Mohawk remove existing lines and tanks would allow us time to install new line. Another option would be to loop water back to homes that would allow them to remove mains and we could install new lines. But Tacna Water would schedule work.

If the Arizona Corporation Commission wants us to install new main prior to Mohawks release that will require Engineering, ADEQ approvals, and construction. Which, would require more funding. If infrastructure is purchased then there is no need for our good faith gesture of not filing for areas we removed from our expansion. Can we refile for those areas. In addition we would like to request a copy of court transcripts to evaluate were we stand.

Please advise us on what we should do. We appreciate any help in this matter. If you have any questions please contact Steve Kelland or Don Kelland at 928-341-0180.

Sincerely



Don Kelland
President